



CFO/Controller Sentiment Study **2024**



Research Report: CC124

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2024 CFO/Controller Sentiment Study

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2024 CFO/Controller Sentiment Study

Executive Summary

While business leaders are facing new challenges in 2024, CFOs and Controllers remain optimistic about their ability to thrive. The following is the second annual CFO/Controller Sentiment Study, designed to reveal the attitudes, challenges, and outlook of financial leaders as they face the coming year.

This year's study revealed several key trends, including:

- 51% anticipate stronger financial performance in 2024 vs. 2023 for a CFO/Controllers Financial Performance (FPI) of 139% compared to a 2023 FPI of 127%
- Due to economic uncertainty, 36% plan to reduce spending compared to only 20% planning to increase spending for a CFO/Controller Spending/Budget Index (SBI) of 84%
- 60% plan a Hybrid combination of Onsite and Remote work environments, compared to 29% fully Onsite, and only 11% fully Remote
- More than half of respondents plan to implement artificial intelligence (AI) in the coming year

Overall, the study reveals a generally “cautiously optimistic” outlook toward the future, with no one single risk factor casting a shadow over spending or hiring plans. However, there has been an approximate 10% drop in the expected plans to increase organizational headcount, reflecting a slightly more bearish approach to hiring.

What will CFOs and Controllers do differently in 2024? Adopting AI is one major priority, which may assist with the ongoing talent shortage. Managing a Hybrid work environment will dominate. And carefully watching spend even with improved financial performance.

The overwhelming majority of respondents serve as Controllers or CFOs, or similar financial positions for companies of all sizes, but predominantly in the Small-Medium Business (SMB) category. This study's demographics reflect a wide range of industries, including manufacturing, non-profit, software/technology, construction, professional services, healthcare and education.

All data for this report comes from an anonymous and confidential survey conducted between November 2023 and January 2024, with responses from nearly 250 participants.

You can use this report to benchmark your own organization's planning and strategic priorities for the coming year. For additional questions — or to share your own perspective — contact the Controllers Council at www.ControllersCouncil.org.

2024 CFO/Controller Sentiment Study: **Key Takeaways**



A “Confident” Financial Outlook

Just over half (51%) of respondents anticipate a stronger financial performance in 2024, a notable increase from last year’s results, when only 44% anticipated higher performance for a **2024 CFO/Controller Financial Performance Index (FPI) of 139%**.



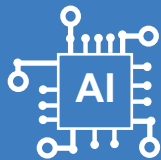
Cautious Spending Amidst Uncertainty

CFOs and Controllers are adopting a cautious approach to spending in the face of economic uncertainties with 42% planning to maintain spending in 2024, while 36% intend to decrease spending, and only 20% planning to increase spending for a **2024 CFO/Controller Spending Budget Index (SBI) of 84%**.



Flexibility in Work Environments

Where employees work remains dynamic, with the majority 60% of organizations planning a *Hybrid combination of Onsite and Remote* work environment, followed by a significant 29% completely *Onsite*, and only 11% completely *Remote*.



The AI Revolution

More than half of respondents (51%) plan to adopt some form of artificial intelligence (AI) in 2024. Technology implementation remains a priority with 45% increasing Cybersecurity, and 40% increasing Business Intelligence.



What Keeps CFOs and Controllers Up at Night?

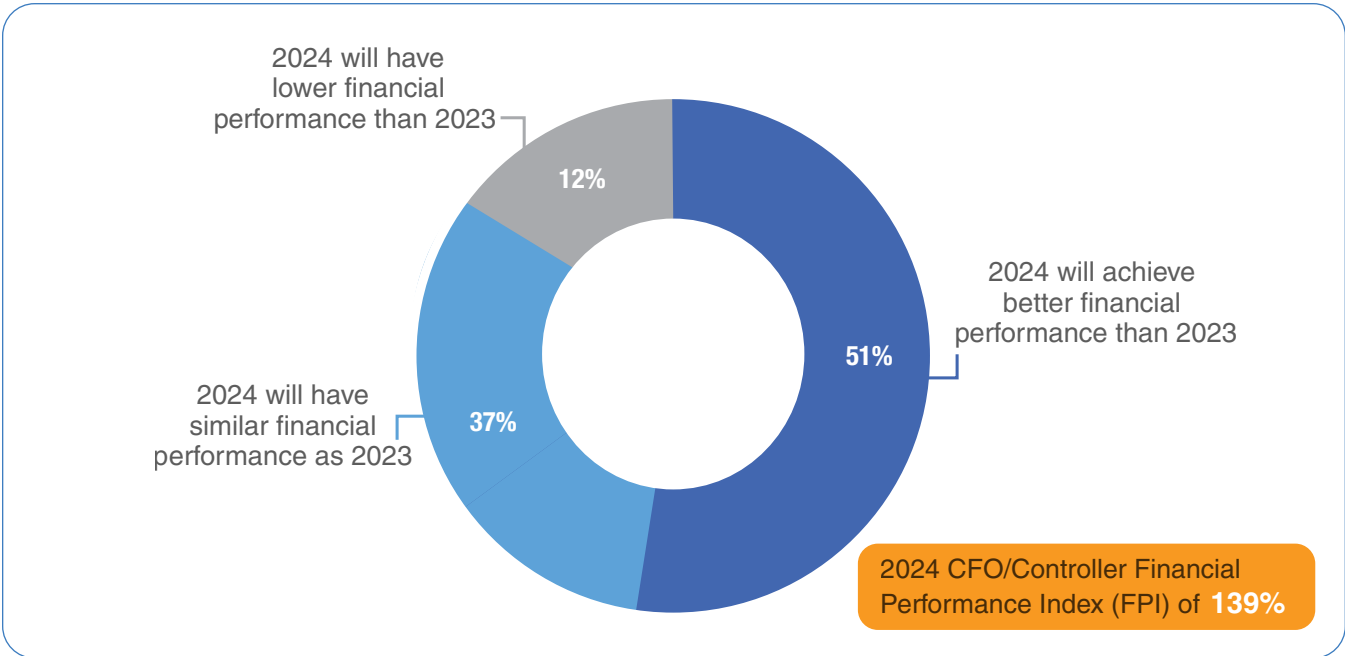
From post-pandemic to unpredictable economic, political and business environments, respondents expressed concerns over Interest Rates, Talent challenges, Recession, Supply Chain, Geopolitical Risk, and Inflation.



The following report details and summarizes the responses to each question, followed by respondent classifications.

What Is Your Overall Prediction of Your Organization's *Financial Performance* in 2024 vs. 2023?

From the outset, survey results were confident, even optimistic with about half (51%) indicating that they believe their organization will surpass the financial performance of 2023. Just over a third (37%) believe that their company will see similar financial performance, while only 12% anticipate lower financial performance compared to last year.



THE 2024 CFO/CONTROLLER FINANCIAL PERFORMANCE INDEX (FPI)

This survey's results yield a Financial Performance Index (FPI) of 139%, which indicates an overall "confident" posture toward organizational financial health.

What is the CFO/Controller Financial Performance Index™ (FPI)? This figure serves as a mathematical representation of sentiment. To calculate FPI, subtract the "increase" response percentage from the "decrease" response percentage to yield a percentage subtotal. Then, add or subtract this positive or negative number from a 100 base.

For 2024, the Financial Performance Index (FPI) is calculated as follows:

$$.51 - .12 = +.39 + 100 = 139\%$$

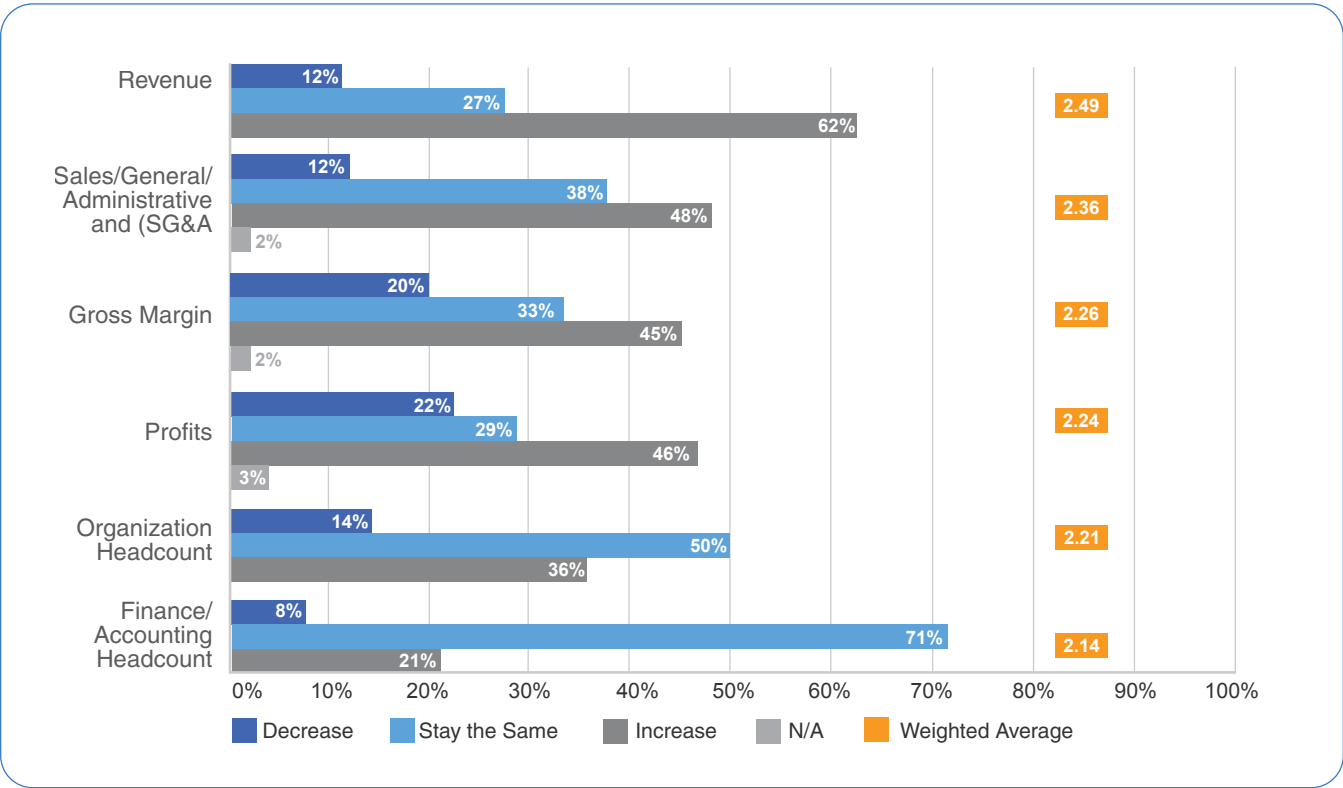
TAKEAWAYS

These survey results characterize a confident, even optimistic sentiment among respondents. Compared to 2023 survey results of 44% increasing, 39% maintaining, and 17% decreasing for a Financial Performance Index of 127%, 2024 results might be considered "bullish". However the 2024 **CEO** Financial Performance Index of 155% from our [Chief Executives Council](#) seems to command the "bullish" accolade.

Please Rate Your *Financial Metrics* for 2024 vs. 2023

Respondents were asked to determine whether their key financial metrics would increase, decrease, or stay the same in 2024. These results also reflect cautious optimism, with nearly two-thirds of respondents (61%) anticipating an increased Revenue in the coming year.

While Profits will increase for 46%, Profits also tallied the largest decrease for 22%. Similarly Gross Margin increases for 45%, but decreases for 20%. Regarding cost metrics, Sales/General/Administrative (SG&A) costs will increase for 48%, and Organizational Headcount increases are expected for 36%, followed by Finance/Accounting Headcount increasing for 21%.



TAKEAWAYS

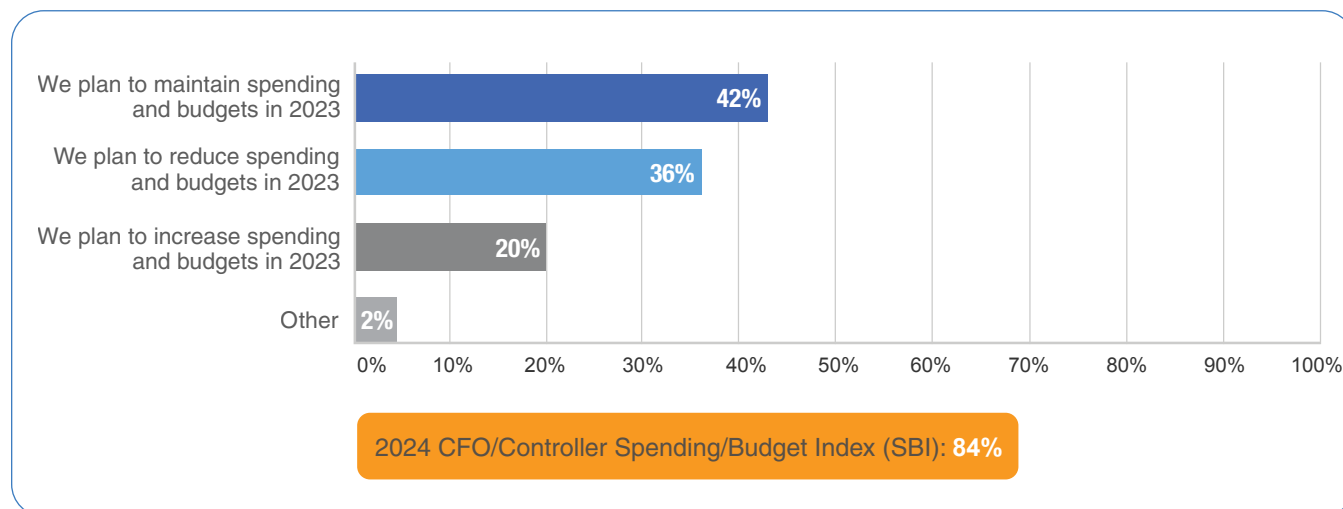
Company leaders seem to be experiencing optimism with increases for Revenue, Profits and Gross Margin, but many respondents were more cautious about Profits and Gross Margins.

Overall, financial metrics are increasing, including SG&A and Headcount costs. These cost factors might be driven by earlier inflation, as well as talent shortages. But our next question will shed light on Spending and Budget plans.

How Will Economic Uncertainty Impact Your Spending Plans?

A surprising number of respondents (42%) indicate that they plan on making no adjustments to their spending and budgets, though this may simply reflect the lack of certainty rather than a clearly defined strategy.

Just over a third (36%) plan to reduce spending and budgets compared to last year, while a fifth (20%) are planning to increase spending and budgets.



THE 2024 CFO/CONTROLLER SPENDING/BUDGET INDEX (SBI)

Survey data yields a CFO/Controller Spending/Budget Index™ (SBI) of 84%. This figure serves as a benchmark to the 2023 study and future studies, providing a point of comparison regarding how economic trends might impact corporate spending patterns.

How is the Spending/Budget index (SBI) calculated? This figure represents sentiment by subtracting the “reduce” response percentage from the “increase” response percentage, then adding or subtracting the positive or negative sum from the 100 base.

For 2024, the CFO/Controller Spending/Budget Index (SBI) was calculated follows:

$$\text{SBI} = .20 - .36 = -.16 + 100 = 84\%$$

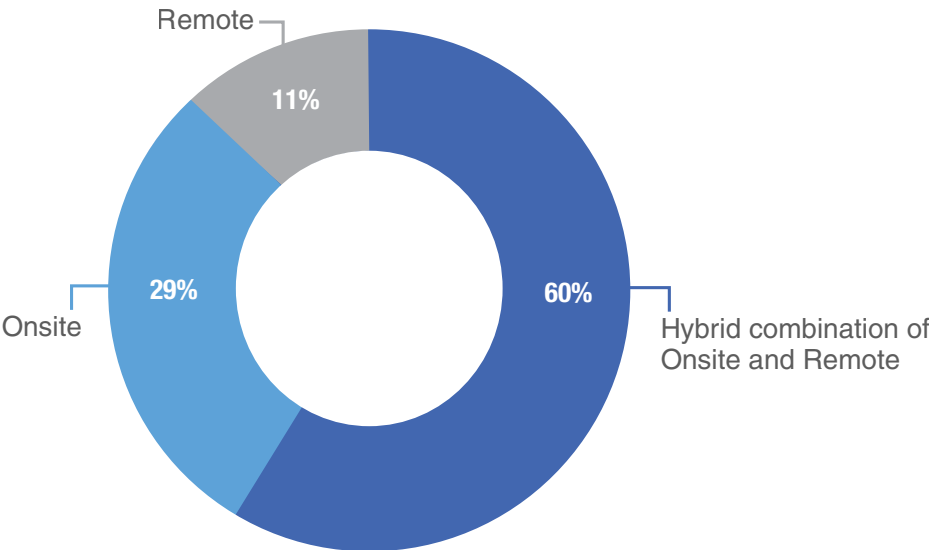
TAKEAWAYS

While unpredictable economic and political environments loom large over the business community, its shadow is not as dark as some might expect. On the contrary, with 20% planning to increase their spending, many business leaders are facing the economic uncertainty head-on.

Other leaders are planning to stay the course, though it's not clear whether an actual recession might prompt a new decision if and when the recession actually arrives.

What Will Be Your Company's *Work Environment* Plans for 2024?

The debate over in-person vs. remote work rages on, with a majority (60%) planning a Hybrid combination of onsite and remote, followed by a significant 29% of respondents now say that their teams will be fully Onsite in 2024, and only 11% are fully Remote.



TAKEAWAYS

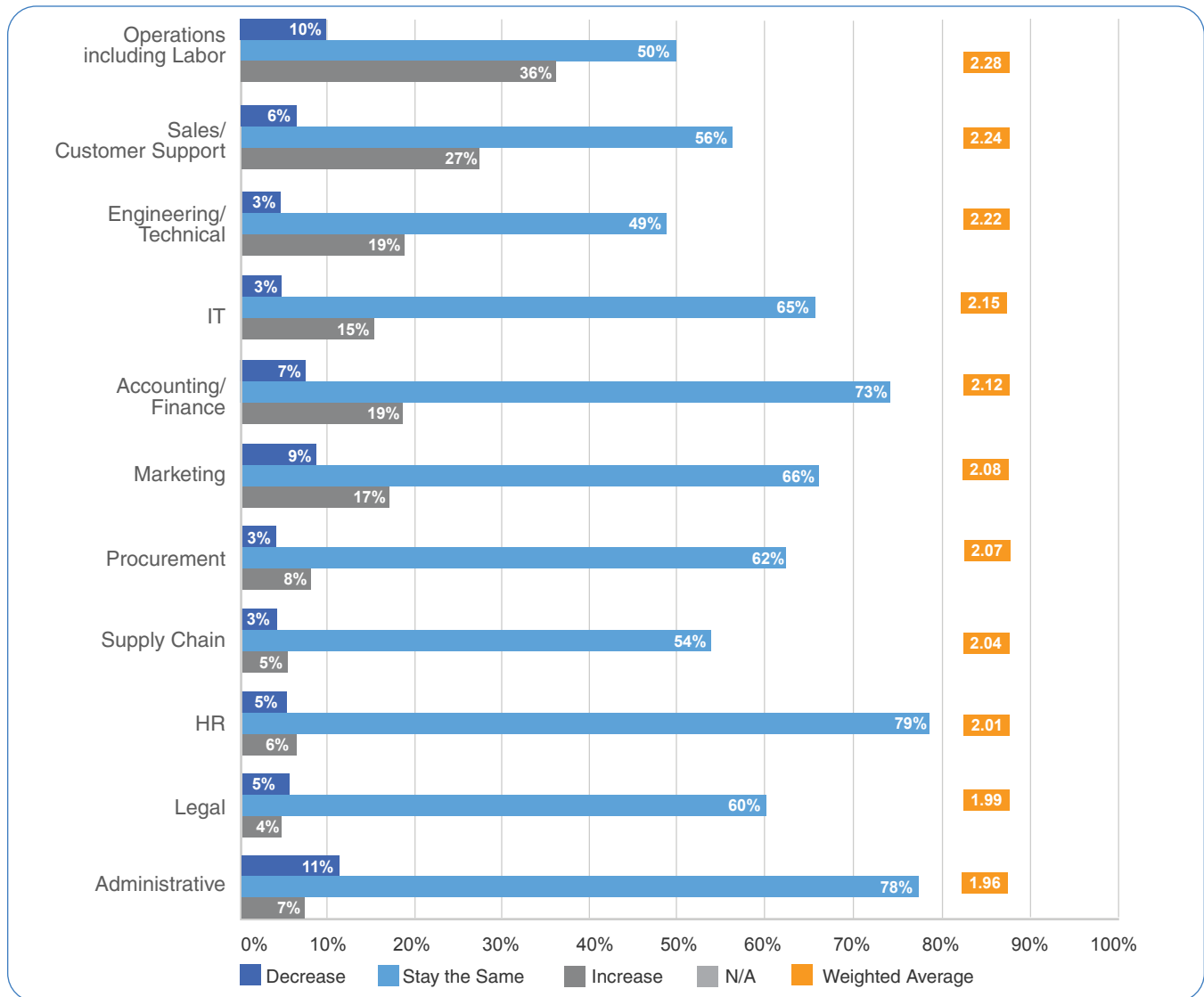
It is increasingly clear that hybrid work environments are the new normal, and here to stay. While some organizations are shifting back to a full onsite workforce, managers are realizing the need to remain flexible and adapt to employee preferences, though it's notable that only a few employers are continuing to use an entirely remote workforce.

It's also clear that in-person is a requirement for certain industries or employee roles. For example, manufacturing and construction labor, retail staff, and healthcare providers need to be in-person, with some exceptions.

What Are Your Organization's 2024 *Hiring Plans* by Function?

When asked about hiring plans, many organizations placed top priority on hiring *Operations staff including Labor* with 36% planning an increase in this area in 2024. Close behind are *Sales/Customer Support* (27%), Engineering/Technical staff (19%), and Accounting/Finance increasing at 19%.

Overall, hiring is increasing, albeit modestly as demonstrated in the Financial Metrics survey responses with Organization Headcount increasing for 36%, and Accounting/Finance Headcount increasing for 21%. Still there are many functions that are not increasing but maintaining levels including Administrative, HR, Legal and Procurement.



TAKEAWAYS

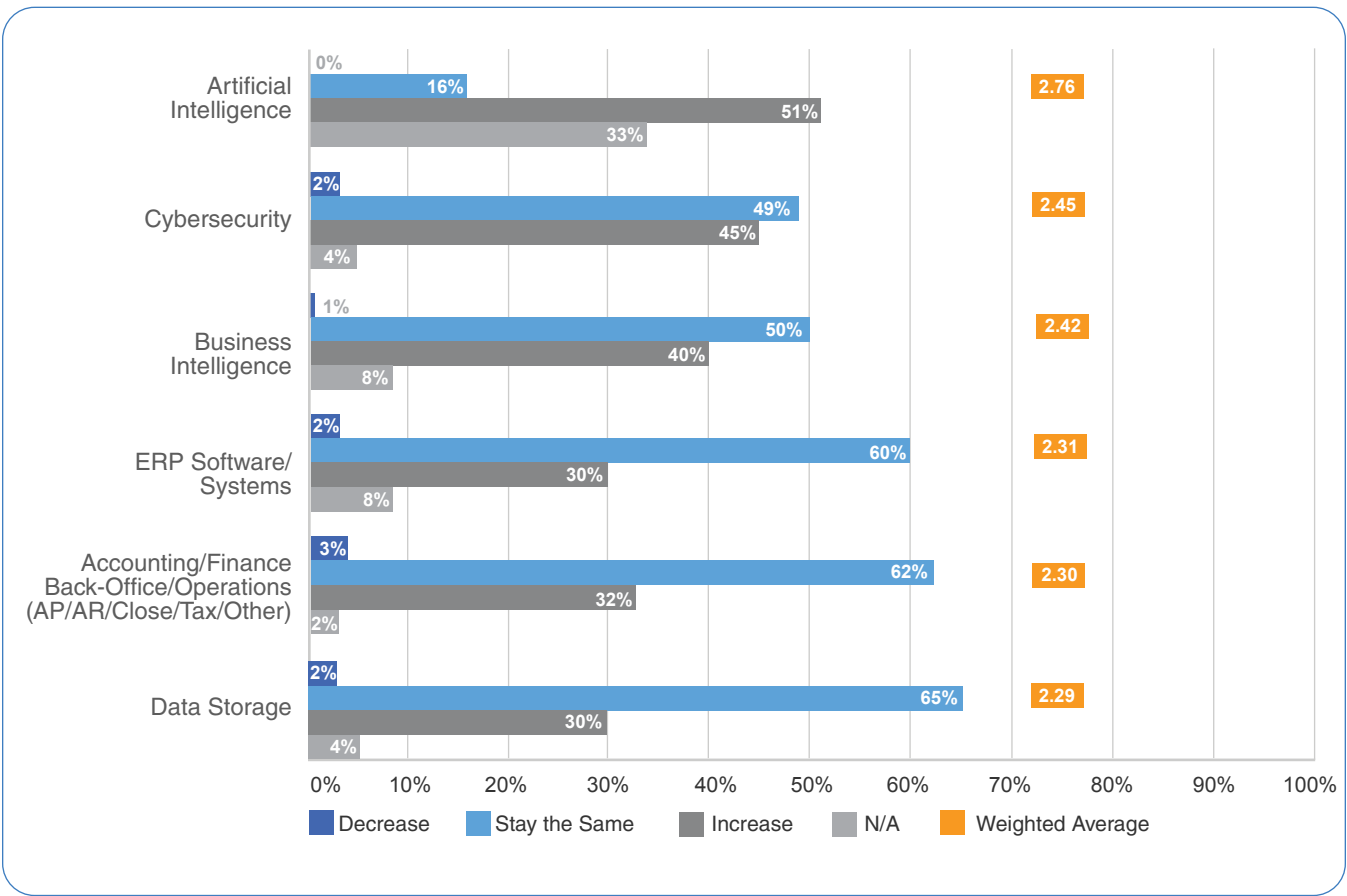
While hiring is increasing overall, it is related to functions. And hiring levels have dropped from the 2023 study which tallied 45% increases for Organization Headcount, and 36% increases for Accounting/Finance Headcount (vs. above referenced 36% and 21%).

The Great Resignation and many of the talent challenges of the pandemic are behind us, yet talent is still very challenging, especially in corporate accounting and finance where CPA and technical accounting shortages are growing.

What Are Your Organization's 2024 Plans for *Implementing Technology?*

When it comes to technological innovation, artificial intelligence (AI) tops the list, with over half (51%) of respondents indicating that they will increase its use in 2024. A close second is Cybersecurity with 45% of respondents making this a focus, followed by Business Intelligence (40%), Accounting/Finance Back Office (32%), ERP Systems and Data Storage tied at 30% increases.

Its worth noting that very few respondents indicated a decrease in the technology they would implement, which shows how technological innovation tends to be a one-way street. Some of the “other” responses indicated the adoption of customer relationship management (CRM) platforms or specific AI technologies, such as marketing.



TAKEAWAYS

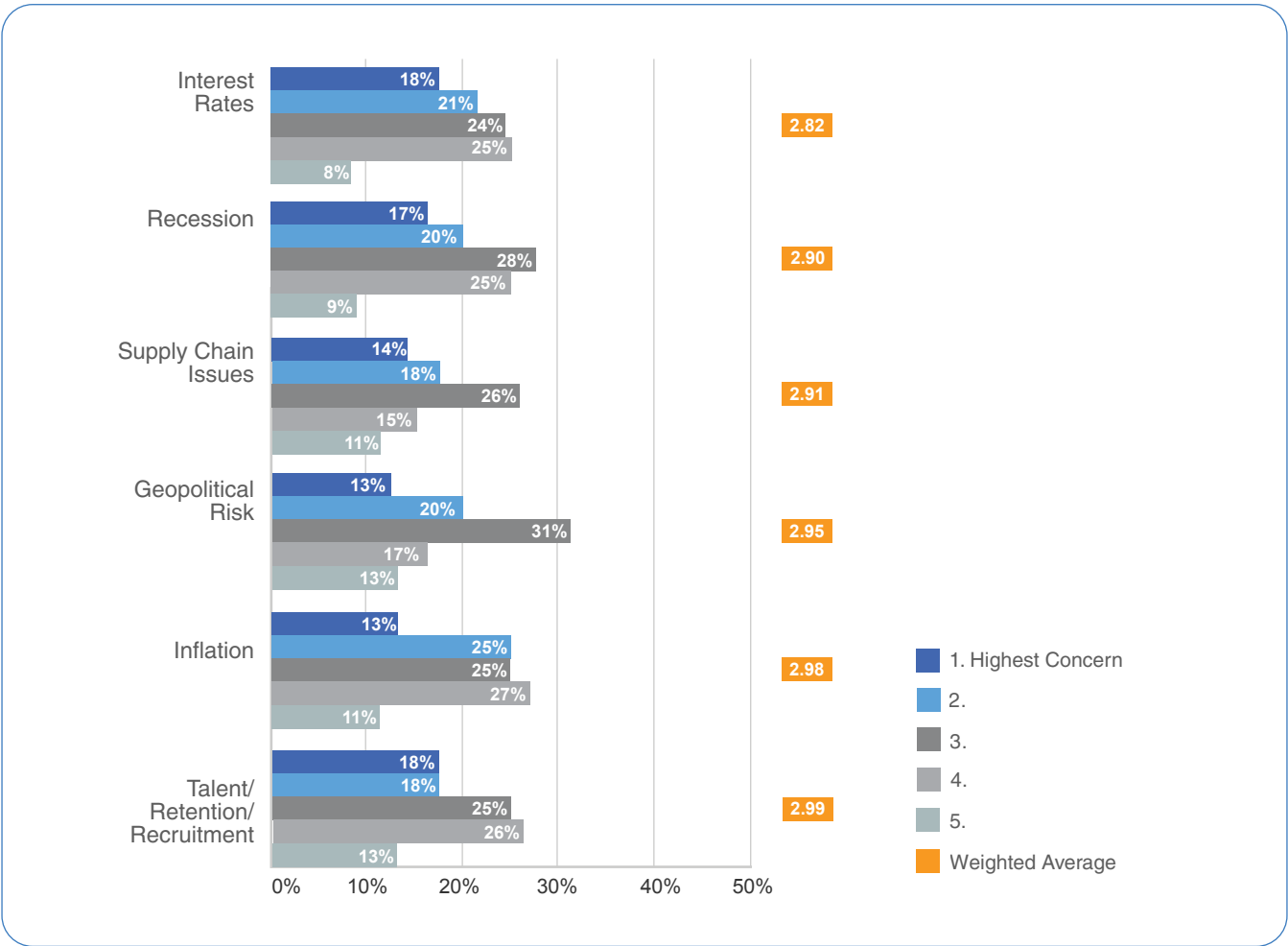
Technology is transforming the face of modern business. Companies are increasingly relying on advanced tools to assist with a series of core business processes.

Notably, business leaders are also recognizing the need for artificial intelligence as AI ranks at a tier much higher than all other technologies.

What Keeps You Up at Night? *Greatest Concern?*

While Interest Rates rank as the greatest concern by weighted average, all concerns identified are very close in rank including Recession, Supply-Chain issues, Geopolitical Risk, Inflation, and Talent/Retention/Recruitment.

It's worth noting that Interest Rates (ala the cost of capital) and Talent tied as top concerns for 18% of respondents. And that “Other” responses offered interesting concerns from national politics to risks with artificial intelligence.



TAKEAWAYS

This question reveals that there remains some residual anxiety surrounding the risks facing modern businesses. However, no one risk appears to be dominant, which may indicate that business leaders are facing several distinct “storm fronts” in the months ahead.

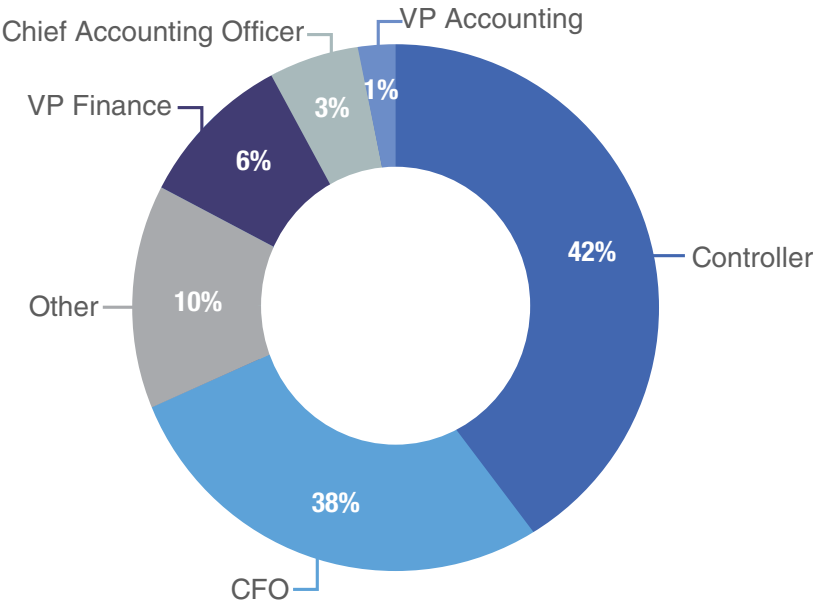
And given the evolving geopolitical landscape, it’s possible that some of these issues may become a greater focus over time.

Classification Demographics:

Title/Role

The majority of respondents held either the title of Controller (42%) or CFO (38%), with no significant changes from the study of the previous year. A minority of respondents hold the title of Vice President of Finance (6%), and Chief Accounting Officer (CAO) for 3%.

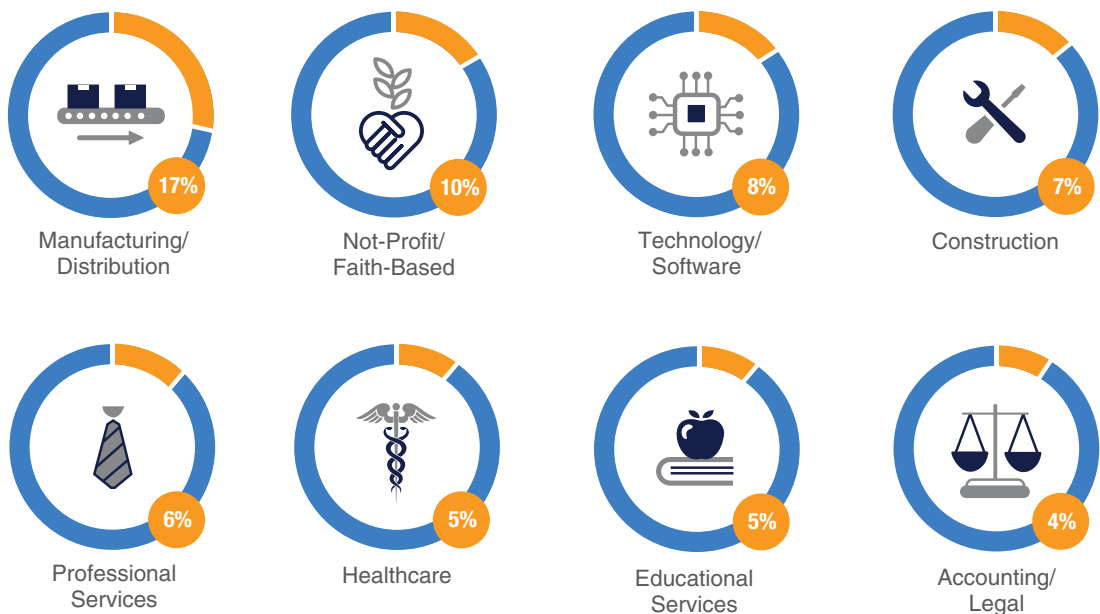
The “other” category reveals respondents who identify themselves as consultants, CEOs, consultants or other senior finance roles. All of these respondents occupy significant leadership positions, giving them a clear vantage point to understand their company’s financial health.



Classification Demographics

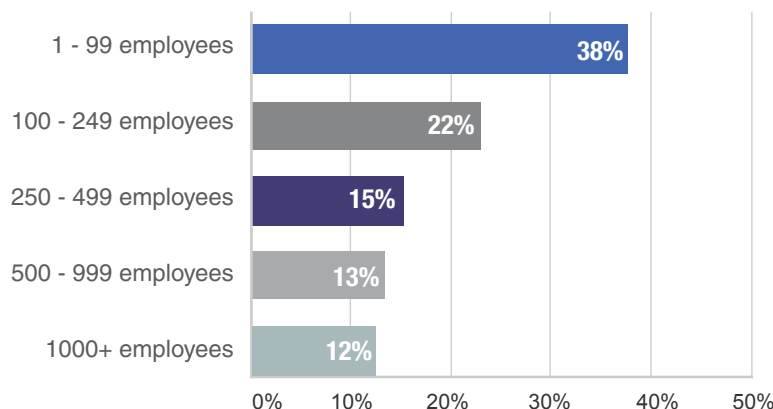
Industry

The 2024 survey captures data from a variety of industries. Topping the list are responses from Manufacturing (17%) businesses, Not for Profit and Faith-Based organizations (10%), and Software & Technology companies (8%). Close behind are responses from Construction (7%), Professional Services & Consulting (6%), Healthcare (5%), and Education (5%), and Accounting/Legal Services (4%).



Company Size (Number of Employees)

All organization sizes are represented in respondent pool including 1-99 employees (38%), 100-249 employees (22%), 250-499 employees (15%), 500-999 (13%), and 1,000 or more (12%). Small and Medium-Size Business (SMB) are well represented.



CFOs and Controllers are Cautiously Optimistic

This year's CFO/Controller survey reveals that while companies are facing risk on many competing fronts, they remain optimistic about their companies' future. The threat of a coming recession has not dampened the spirits of today's financial leaders, some of whom promise an increase in spending even amidst fears of economic instability.

At the same time, attitudes toward hiring have cooled since last year's study, with Controllers indicating a decreasing likelihood of hiring financial personnel and other specialists.

The coming year will see a continuation of the debate over in-person vs. remote working. While most companies are content with a hybrid approach, many are insisting on a fully in-person workplace culture. It will be interesting to see how these numbers shift as companies seek to provide flexible options to attract and retain staff members.

Additionally, AI will remain a dominant theme, not only this year but also in years to come, as more business technologies come to rely on machine learning and other advanced processes. This will increase the demand for better data protection and cybersecurity as well, which this year's study already indicates.

There are, however, several lingering unknowns regarding the future. Many of these unknowns revolve around the world stage as companies contemplate the impact of geopolitical instability on the domestic business landscape.

But Controllers and CFOs are not focused on any one risk. If anything, they are showing resilience and even optimism in the face of a diverse array of challenges.

We hope that the 2024 CFO/Controller Sentiment Study has been informative and perhaps even encouraging as you consider your own benchmarks for the year ahead. To view additional studies and data, please visit the Controllers Council [Research Studies page](#).

About the Study Sponsor



BlackLine (Nasdaq: BL). BlackLine provides solutions to manage and automate financial close and consolidation, invoice-to-cash, and intercompany accounting processes – inspiring, powering, and guiding large enterprises and midsize businesses on their digital finance transformation journeys. Learn more at www.blackline.com.

About the Controllers Council



Controllers Council™ is a national member association, community and platform of more than 100,000 Controllers, CFOs, and corporate accounting and finance professionals focused on career development and training, best practice resources, recognition and more. Programs include CPE and professional certification, a national Career Center, strategic research studies, webcasts with expert panelists on trending topics, articles and whitepapers. Controllers Council publishes the CFO/Controller Financial Performance Index™ (FPI), and produces the annual Controller of the Year™ Awards, Meet the Controller™ Interview Series, and the Controllers Seal of Approval™ program.

For more information, visit www.ControllersCouncil.org, or email Executive Director Neil Brown at neil@controllerscouncil.org